

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 350 - HB 506

March 30, 2021

SUMMARY OF ORIGINAL BILL: Requires, beginning August 1, 2021, and by August 1 of each subsequent year, the head of each state department to file a report with chair of the State Government Committee of the House of Representatives and the chair of the State and Local Government Committee of the Senate detailing the number of preferred service employees affected by a reduction in force during the preceding year.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006167): Deletes all language after the enacting clause. Enacts the Defense of Liberty Act (Act). Creates the Office of Solicitor General (SG) within the legislative branch. Requires the SG to be elected by a majority vote of both houses of the General Assembly, beginning at the start of the 112th General Assembly. Requires the Speaker of the House of Representatives and the Speaker of the Senate set the monthly income of the SG.. Authorizes all employees under the Office of SG to be reimbursed for travel expenses. Establishes duties of such Office and relieves the Attorney General and Reporter's (AG) responsibilities where such duties overlap. Requires the legislation to be effective upon becoming law for making the necessary arrangements for the transfer of duties and effective January 4, 2022 for all other purposes.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures – \$115,900/FY21-22
\$231,900/FY22-23 and Subsequent Years**

Other Fiscal Impact – There will be a recurring shift in state expenditures exceeding \$3,610,100 from the Office of the Attorney General and Reporter to the Legislature. This shift in expenditures will begin in part at the beginning of FY21-22 as the offices transition and be fully realized in FY22-23 and subsequent years.

Assumptions for the bill as amended:

- It is assumed that the salary of the SG will be equal to that of an associate justice of the Tennessee Supreme Court.

- An associate justice of the Tennessee Supreme Court has an annual salary of \$196,968 and receives annual benefits of approximately \$34,928.
- A recurring increase in state expenditures of \$231,896 (\$196,968 + \$34,928).
- The SG will be elected during the first 30 days of the second regular session of the 112th General Assembly; therefore, FY21-22 costs will be \$115,948 (\$231,896 x 50%).
- This office will hire staff attorneys, assistants and other personnel necessary to meet the requirements of this legislation.
- It is unknown how many additional positions would be required to meet such requirements, but it is reasonably assumed that additional personnel, along with necessary space, furniture, equipment, supplies and other additional expenses would result in a significant increase in recurring state expenditures in FY21-22.
- Any such increase in state expenditures is going to result in a corresponding decrease in state expenditures incurred by the AG's Office.
- Based on information provided by the AG's Office, the duties listed in the legislation cannot be sequestered to any certain offices.
- Based on the FY21-22 Governor's proposed budget, the estimated expenditures for the AG's Office in FY21-22 are \$50,267,500, comprised of \$36,100,900 in state funds and \$14,166,600 in other and federal funds.
- It is assumed that this legislation would result in a shifting of funds from the AG's Office to the SG's Office, estimated to exceed approximately 10 percent of the current state funds received by the AG's Office, or exceeding \$3,610,090 (\$36,100,900 x 10%). This shift in expenditures will begin in part at the beginning of FY21-22 as the offices transition and be fully realized in FY22-23 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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